

Following is a summary of important business news published in the leading daily newspapers of Bangladesh. For the complete news, please follow the online link given below each news. Please note that the news summary doesn't reflect the opinion of BRAC EPL Stock Brokerage Limited.

1.4 million users download bKash mobile app in 20 days

• About 1.4 million people downloaded bKash mobile apps and 14,000 of them gave feedbacks in just 20 days after it was submitted to Google Play store on April 25. Officials disclosed this at a programme on Tuesday after the secured and innovative app was officially inaugurated by the country's largest mobile financial services company. Kamal Quadir, chief executive officer of bKash, and Mir Nawbut Ali, chief marketing officer of bKash, among others, attended the function at a city hotel. Speaking on the occasion, Kamal Quadir said a team of highly efficient and knowledgeable persons worked on the mobile app for 18 months to make it world-class, easier, faster and safer for all.

<http://today.thefinancialexpress.com.bd/trade-market/14m-users-download-bkash-mobile-app-in-20-days-1526405963>

<http://www.newagebd.net/article/41287/bkash-looks-ahead-to-growth-with-app-launch>

<https://www.thedailystar.net/business/bkash-app-launched-1576999>

Intraco Refuelling makes trading debut tomorrow

• Intraco Refuelling Station Limited (IRSL), a concern of Intraco Group, will make its share trading debut tomorrow (Thursday) on both the country's two bourses under "N" category, officials said. Intraco Refuelling Station, which received approval from Bangladesh Securities and Exchange Commission (BSEC) on January 16, raised BDT 300 million from the capital market by issuing 30 million ordinary shares at an issue price of BDT 10 each under the fixed price method. The IPO subscription of the company was open to resident and non-resident Bangladeshis during the period from March 18 to March 27. The company's IPO lottery programme was held on April 17 to allocate 30 million ordinary shares among the successful applicants. The refuelling company will utilise the IPO fund for LPG bottling and setting up distribution plants along with bearing the IPO expenses.

<http://today.thefinancialexpress.com.bd/stock-corporate/intraco-refuelling-makes-trading-debut-tomorrow-1526405827>

MJL Bangladesh Limited (MJL) goes for expansion

• MJL Bangladesh Limited (MJL) has launched multi-compartment delivery truck for the first time in Bangladesh to deliver lubricating oil to its industrial customers, according to a recent statement issued by the company after disclosing the Q3 earnings for 2017-18. "Being the leading lubricant solution provider of Bangladesh, this shows our commitment towards providing efficiency-enhancing solutions to our customers," M. Mukul Hossain, Chief Executive Officer of the company said. The company has signed an agreement for taking over 53 bighas of land including an industrial complex located at Murapara, Rupganj, Narayangonj with a total consideration value of BDT 970 million for its future expansion. The complex located near Shitalakshya river is equipped with gas connection with a draft of around 6 to 8 metres. The company has invested an amount of USD 9.375 million in its subsidiary, Omera Petroleum Limited (OPL) against issuance of right shares by OPL.

<http://today.thefinancialexpress.com.bd/stock-corporate/mjl-goes-for-expansion-1526408320>

LankaBangla Finance to issue BDT 3.0b bond

• The board of directors of LankaBangla Finance has approved issuance of subordinated bond of BDT 3.0 billion, said an official disclosure on Tuesday. The non-bank financial institution is going to issue the subordinated bond to improve the capital base (Tier-II) of the company. The issuance of the bond is, however, still subject to compliance with relevant laws and regulatory approval like Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC). The company also disclosed the first quarter (Q1) earnings results on Tuesday. As per Q1 financial statement, the company's consolidated earnings per share (EPS) slumped more than 73% to BDT 0.16 for January-March 2018 quarter as against BDT 0.60 for January-March 2017.

<http://today.thefinancialexpress.com.bd/stock-corporate/lankabangla-finance-to-issue-BDT-30b-bond-1526408424>

edotco to sell 30pc stake

• Tower business company edotco Bangladesh is all set to sell 30% stake to local business group Getco as part of efforts to be eligible to get a tower sharing licence. The company is selling shares to comply with the tower sharing guideline, according to which the applicant of a tower sharing licence cannot keep a mobile operator as its shareholder and foreign ownership in the firm cannot exceed 70%. In edotco Bangladesh, Robi owns 19.99% stakes while the rest 80.01% belongs to edotco Group, a Malaysian telecom tower management company and a concern of Robi's parent company Axiata Group.

• The tower business company will let go of all shares of Robi and 10.01% from the edotco Group, a top official of the

company said. A highly placed source said edotco is paying Robi around USD120 million for the 19.99% shares and will pay Getco at the same rate. On April 1, the telecom regulator sought applications from the competent entities by May 13 to award four tower sharing licences. But Bangladesh Telecommunication Regulatory Commission (BTRC) had to extend the deadline by one more month, as none applied for the licence.

<https://www.thedailystar.net/business/edotco-sell-30pc-stake-1577014>

<http://www.newagebd.net/article/41284/edotco-to-sell-30pc-stake-to-getco-group-eyeing-tower-co-licence>

Current account deficit records steep rise on higher imports

- The country's current account deficit widened, reaching a record high in the first nine months of the current fiscal year (FY) as imports grew faster than exports. Central bank statistics, released on Tuesday, showed that the current account deficit hit USD7.08 billion in July-March period of the fiscal 2018. The amount of deficit is the highest in the country's history, which was only USD1.37 billion in the same period of the past fiscal year. The increasing gap in both the merchandise and service trades of the country is pushing the current account deficit higher.
- The Bangladesh Bank data showed that the country's merchandise trade gap with the rest of the world exceeded USD13 billion in the first nine months of the current fiscal year. The deficit in merchandise trade stood at USD13.20 billion in July-March period of FY18, which was USD7.04 billion in the same period of the past fiscal year. Trade deficit registered an 87.5% growth in the nine months to March. The Bangladesh Bank said that exports have recorded around 7.0% growth in the first nine months of the current fiscal year, while imports surged by 24.50% in the same period.

<http://today.thefinancialexpress.com.bd/first-page/current-account-deficit-records-steep-rise-on-higher-imports-1526406636>

Taka weakens against dollar, substantially

- The Bangladesh Taka (BDT) has fallen considerably against the US dollar as the demand for the greenback grew to meet import payment requirements. The local currency weakened by 50 poisha in a single day in the inter-bank foreign exchange (forex) market on Tuesday, according to traders. The US dollar was quoted at BDT 83.60 each in the inter-bank forex market on the day against BDT 83.10 of the previous working day, they said.
- "Such depreciation may help bring dynamism to the inter-bank market, which was almost non-functional in the last 10 months," a senior official of the Bangladesh Bank (BB) told the FE. There were limited transactions in the inter-market spot market in recent months. He also said the depreciation would not affect the prices of importable commodities directly in the market. "India, Pakistan and Sri Lanka have recently depreciated their currencies against the US dollar significantly to foster competitiveness on the global market," the central banker noted. Senior treasury officials, however, said that such depreciation may not be able to boost the inter-bank forex market as most of the banks are not interested in selling their US dollar at lower rate.

<http://today.thefinancialexpress.com.bd/first-page/taka-weakens-against-dollar-substantially-1526406725>

Experts blame strong sales of NSCs for high lending rates

- Banking experts at a workshop in the capital on Tuesday called for reining in the overwhelming sales of national savings certificates (NSCs) in the country. They also warned that the prevailing situation is likely to push up the lending rate of banks in the long-term, and also prohibit the government's wish to decrease it to single-digit. Due to very strong sales of NSCs, the government's borrowing from the banking sector has decreased significantly in the last two years, which is a major problem for the banks in making future planning, the experts added. Their views came at a workshop on treasury operations of banks, organised by Bangladesh Institute of Bank Management (BIBM).

<http://today.thefinancialexpress.com.bd/first-page/experts-blame-strong-sales-of-nscs-for-high-lending-rates-1526406779>

A new ray of hope for SMEs

- The Chinese consortium will work to create an SME-based board in the Dhaka Stock Exchange so that small entrepreneurs get the opportunity to raise fund from the capital market. "It will help to boost the SMEs as well as the capital market," said Wang Jianjun, president and chief executive officer of Shenzhen Stock Exchange (SZSE). The consortium of SZSE and Shanghai Stock Exchange will emphasise innovation and product diversification so that investors can get a variety of options to put their money in. Wang's comments came yesterday on a roundtable styled 'Bangladesh-China capital markets', jointly organised by the Policy Research Institute and the Chinese consortium at the capital's Le Méridien hotel. Liu Fuzhong, a director of SZSE, hoped that SME-based board will foster the sector in Bangladesh like it did in China.

<https://www.thedailystar.net/business/new-ray-hope-smes-1577026>

Credit-deposit mismatch worsens liquidity crisis

• Mismatch between deposit and credit growth is causing the ongoing liquidity crisis to linger on, found a survey of the Bangladesh Institute of Bank Management (BIBM). Excess liquidity in the market also came down for this mismatch, revealed a report, "Treasury Operations of Banks 2017", containing the survey. Professor Nehal Ahmed of BIBM presented the findings at a programme at the institute yesterday. Data shows that private sector credit growth was 18.1% in December last year while deposit growth was hovering around 10 to 11%. In 2015, credit growth was 12.7% against the deposit growth of 12.6%.

<https://www.thedailystar.net/business/credit-deposit-mismatch-worsens-liquidity-crisis-1577023>

Biman now at financial risk

• National flag carrier Biman Bangladesh Airlines is now at financial risk as its debt-equity ratio has gone up abnormally to 4:1 from the normal rate of 1.5:1, a Biman official said on Tuesday. After receiving four state-of-the-art aircraft Dreamliner 787 from Boeing this year, he said, the amount of loan will reach about BDT 80 billion from the present amount of BDT 44 billion. Biman needs government investment, equity support and fund to augment its equity base, he added.

<http://today.thefinancialexpress.com.bd/last-page/biman-now-at-financial-risk-1526407486>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$71.14	-0.17	-0.24%
Crude Oil (Brent)*	\$78.30	-0.13	-0.17%
Gold Spot*	\$1,294.16	+3.63	+0.28%
DSEX	5,548.89	-8.68	-0.16%
Dow Jones Industrial Average	24,706.41	-193.00	-0.78%
FTSE 100	7,722.98	+12.00	+0.16%
Nikkei 225	22,781.91	-36.11	-0.16%

Exchange Rates

USD 1 = BDT 84.20*
 GBP 1 = BDT 113.66*
 EUR 1 = BDT 99.62*
 INR 1 = BDT 1.24*

*Currencies and Commodities are taken from Bloomberg.

IMPORTANT DISCLOSURES

Analyst Certification: Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

Disclaimer: Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

Compensation of Analysts: The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

General Risk Factors: BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and also revisit this assessment when subsequent update reports are published or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

BRAC EPL Stock Brokerage Limited

Research

Ayaz Mahmud, CFA	Deputy Head of Research	ayaz.mahmud@bracepl.com	01708 805 221
Md. Sakib Chowdhury	Research Analyst	sakib.chowdhury@bracepl.com	01709 641 247
S. M. Samiuzzaman	Research Analyst	sm.samiuzzaman@bracepl.com	01708 805 224
Sadman Sakib	Research Associate	sadman.sakib@bracepl.com	01730 727 939
Ahmed Zaki Khan	Research Associate	zaki.khan@bracepl.com	01708 805 211
Md. Rafiqul Islam	Research Associate	mrafiquislam@bracepl.com	01708 805 229

International Trade and Sales

Ahsanur Rahman Bappi	Head of International Trade & Sales	bappi@bracepl.com	01730 357 991
----------------------	-------------------------------------	--	---------------